

Filed on behalf of Patent Owner Network-1 Security Solutions, Inc.

By: Robert G. Mukai, Esq.
Charles F. Wieland III, Esq.
BUCHANAN INGERSOLL & ROONEY PC
1737 King Street, Suite 500
Alexandria, Virginia 22314-2727
Telephone (703) 836-6620
Facsimile (703) 836-2021
robert.mukai@bipc.com
charles.wieland@bipc.com

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AVAYA INC., DELL INC., SONY CORP. OF AMERICA, and
HEWLETT-PACKARD CO.
Petitioners

v.

NETWORK-1 SECURITY SOLUTIONS, INC.
Patent Owner

Case IPR2013-00071¹
Patent 6,218,930

Administrative Patent Judges Jameson Lee, Joni Y. Chang and Justin T. Arbes

**PATENT OWNER'S MOTION TO EXCLUDE
PURSUANT TO 37 C.F.R. § 42.64(c)**

¹ IPR2013-00385 and IPR2013-00495 have been joined with this proceeding.

Pursuant to 37 C.F.R. § 42.64(c), Patent Owner Network-1 moves to exclude Exhibit AV-1042, which is the Expert Report of Dr. Melvin Ray Mercer (the "Mercer Report") for the following reasons:

- (1) it is inadmissible hearsay under Rules 801 and 802 of the Federal Rules of Evidence; and
- (2) it is inadmissible hearsay within hearsay under Rule 805 of the Federal Rules of Evidence.

I. Background.

A. Mercer Report.

The Mercer Report is a 2010 expert report from Dr. Melvin Mercer served on behalf of the defendants in the lawsuit *Network-1 Security Solutions, Inc. v. Cisco Sys.*, Case No. 6:08-CV-30 (E.D. Tex.) (the "Cisco Litigation"). Dr. Mercer has not submitted a declaration and has no role in this IPR proceeding.

B. Petitioners' Reliance on Mercer Report.

Petitioners filed the Mercer Report as Exhibit AV-1042 in connection with their Reply to Patent Owner's Response (Paper 56). Of the 145-page Mercer Report, Petitioners rely on and quote a single sentence:

"Neither the inventors nor the officers of Merlot were able to identify any praise or recognition for, or expression of surprise about, the invention of the '930 patent."

Reply at 14 (*quoting* Mercer Report, pages 110-111).

C. Network-1's objection.

Pursuant to the requirement of 37 C.F.R. §42.64(b)(1) that “any objection must be served within five business days of service of evidence to which the objection is directed,” Network-1 timely served its Objection to the Mercer Report on October 29, 2013, five business days after its service:

“The Patent Owner, Network-1, objects to the admissibility of Petitioner's Exhibit AV-1042 (Expert Report of Melvin Mercer). The basis of the objection is the evidence constitutes and contains inadmissible hearsay under Rules 801, 802 and 805 of the Federal Rules of Evidence.”

Exhibit N1-2028 (Objection to Evidence Pursuant to 37 C.F.R. §42.64(b)(1)) at 1).

Petitioners served no supplemental evidence to correct the Objection. *See* 37 C.F.R. § 42.64(b)(2).

II. The Mercer Report should be excluded as inadmissible hearsay.

The Mercer Report is (A) hearsay, and (B) inadmissible.

A. The Mercer Report is hearsay.

Rule 801 of the Federal Rules of Evidence defines “hearsay” as “a statement that: (1) the declarant does not make while testifying at the current trial or hearing; and (2) a party offers in evidence to prove the truth of the matter asserted in the

statement.” Fed. R. Evid. 801. The Mercer Report falls under both (1) and (2).

(1) Dr. Mercer did not testify in this IPR proceeding. He did not submit a declaration, and he was not deposed. Accordingly, the entirety of the Mercer Report consists of Dr. Mercer's statements that were not made “while testifying at the current trial or hearing.”

(2) Petitioners offer the Mercer Report into evidence for the sole purpose of proving the truth of the following assertion made by Dr. Mercer in his Report – “Neither the inventors nor the officers of Merlot were able to identify any praise or recognition for, or expression of surprise about, the invention of the ‘930 patent.” Reply at 14 (*quoting* Mercer Report at pages 110-111). The Mercer Report is not cited or used for any other purpose. Accordingly, the Mercer Report has been offered to prove the truth of a matter asserted in the Mercer Report.

Because the Mercer Report falls under (1) and (2), it is hearsay.

B. The Mercer Report is inadmissible.

Rule 802 of the Federal Rules of Evidence provides that “[h]earsay is not admissible unless any of the following provides otherwise: [1] a federal statute; [2] these rules; or [3] other rules prescribed by the Supreme Court.” Fed. R. Evid. 802. Because none of hearsay exceptions [1] through [3] apply to the type of hearsay statement at issue here, the Mercer Report is inadmissible.

III. The Mercer Report should be excluded as inadmissible hearsay within hearsay.

Even worse, the sole statement from the Mercer Report on which Petitioners rely is not merely inadmissible hearsay; it is inadmissible hearsay within hearsay.

That is, the statement is not merely a statement by Dr. Mercer that was (1) not made in this IPR proceeding, and (2) offered for the truth of the matter asserted;

the purported underlying statements of the “inventors” and “officers” that Dr.

Mercer is relying in the statement presented by Petitioners were also (1) not made in this IPR proceeding, and (2) offered for the truth of the matter asserted.

Pursuant to Rule 805 of the Federal Rules of Evidence, for such “hearsay within hearsay” statements to be admissible, “each part of the combined statements [must] conform[] with an exception to the rule.” Here, neither part – *i.e.*, neither Dr.

Mercer's statements nor the underlying statements of the “inventors” and

“officers” – conforms with a hearsay exception. Accordingly, the Mercer Report must also be excluded as hearsay within hearsay.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.